

# Business Update

## New unemployment laws affect employers

The 2009 Legislature focused on budget issues, but many new laws also affected unemployment insurance for employers.

**SSB 5963** puts the state back into “conformity” with federal law and avoids a potential sanction in which employers could have lost their federal unemployment tax credits. Currently, unemployed claimants receive benefits based on work in two calendar quarters, while employers are charged based on wages paid in four calendar quarters. The new law bases employer charges on the same two quarters as benefits paid, beginning in 2010. The effect of this will be to increase the amount of charges attributed to many employers’ experience rating.

However, the new law also establishes a new and lower tax rate schedule for employers in rate classes 2 through 39, lowers the social cost factor for costs spread among all taxable employers, and lowers the cap on the maximum employer rate. The net effect of all these changes is a collective savings for employers, but it will vary with individual businesses.

Other changes in this bill include limiting the number of reasons for which benefits are allowed for voluntary quits, allowing benefits when workers “quit to follow” their spouse or domestic partner for employment purposes, and increasing eligibility for federally paid Extended Benefits.

**ESHB 1906** increases unemployment benefits to most claimants by \$45 per week for claims from May 3, 2009, to January 3, 2010. It also increases the minimum weekly benefit amount to \$155 and provides greater access to the Training Benefit and Shared Work programs. Increased benefits are not charged to employers’ experience rating accounts and will not be considered in calculating the flat social cost factor in 2010 and 2011.

Although not part of ESHB 1906, the federal stimulus package provided an additional \$25 increase in unemployment benefits, paid by the federal government.

**HB 1338** allows the Employment Security Department to consider factors to avoid the high delinquent tax rate for all employers, not just domestic service employers.

**SSB 5009** allows an employer relief of benefit charges if it lays off a temporary worker who was filling in for an activated military reservist or guard member who returns to the job.

**SHB 1555** targets the underground economy, creates penalties for employers who fail to keep employment records, and gives Employment Security a priority lien on retained funds held in public works projects.

**E2SSB 5688** (subject to possible referendum) requires state agencies to treat registered domestic partners the same as spouses for benefits and liabilities.

You can read new state laws by bill number at the legislative Web site, [www.leg.wa.gov/billinfo](http://www.leg.wa.gov/billinfo).

## Cash flow problems?

We are here to help. If you become delinquent on your UI tax payments, we may be able to enter into a payment contract with you. We call this a Deferred Payment Contract (DPC). The advantages of a DPC are:

- Allows you to maintain assigned tax rate

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Please share this with:

- ☐ Owner
- ☐ Accountant/Bookkeeper
- ☐ Business Associate
- ☐ HRM Manager
- ☐ Office Manager
- ☐ Other \_\_\_\_\_

June 2009

## Contact us

### District tax offices

Staff at your local office can answer most of your tax questions, including specific questions about your account. For addresses and e-mail information, visit [dto.go2ui.com](http://dto.go2ui.com).

Bellevue	425-649-4388
Bellingham	360-676-2070
Lynnwood	425-774-2380
Seattle North	206-706-3801
South Sound*	253-593-7380
Spokane	509-532-3090
Tri-Cities	509-735-0939
Vancouver	360-735-5050
Wenatchee	509-662-0448
Yakima	509-574-0137
Native American tribes	360-902-9780

Out-of-state employers  
509-574-0179

\* Serves Grays Harbor, South King, Kitsap, Lewis, Mason, Pacific, Pierce and Thurston counties.

## Benefits information

For questions related to specific benefit claims, call 877-504-5607.

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- Permits you to make monthly payments to pay off your balance
- Prevents ESD from taking further legal action

Some employers with cash flow problems have found that it is easier to make their tax payments if they send us payments monthly, rather than quarterly. This does not require a DPC.

If you find yourself in the unfortunate situation of being unable to pay your quarterly taxes, please call your local district tax office.

## Changes in form certification

As part of an ongoing effort to improve our services, we recently reviewed our forms certification process.

We found that Quarterly Tax Report (EMS 5208A) and Quarterly Wage Detail Report (EMS 5208B) forms printed by employers often fail to scan properly. The information must then be hand-keyed, a time-consuming and costly process that can lead to data entry errors. These errors can result in a business being assessed a 'wrong format' penalty.

Since we cannot control the quality of forms printed by employers, we no longer consider them to be certified. We will attempt to process the forms you send us, regardless of the source, and accept any that scan successfully. If forms fail to scan successfully, regardless of the source, we will send a 'wrong format' warning or penalty to the business.

If you are ready to begin filing electronically, please contact us. Our online tax reporting system makes it easy to file your taxes electronically, and it keeps you from making most mistakes that lead to penalties. To get started, visit [efile.go2ui.com](http://efile.go2ui.com).

If you choose to continue using paper forms, we will provide you with certified forms. As long as these forms are filled out correctly, you should never receive a 'wrong format' penalty. You can request forms by calling **360-902-0916** or e-mail [taxforms@esd.wa.gov](mailto:taxforms@esd.wa.gov). Please tell us how many employees you have so we can send you the correct number of forms.

If you have any questions, please contact your local district tax office.

## Upcoming training/workshop schedule

Attend a local workshop to learn more about unemployment taxes and state services, such as tax requirements for various types of businesses, how to report and pay state taxes properly, requirements for reporting new employees and the services that are available through WorkSource.

Date	Topic	City	Contact
June 17	General tax information and reporting	Renton	253-437-3440
June 18	General tax information and reporting	Walla Walla	509-735-0939
June 18	General employer information in Spanish	Yakima	509-574-0136
June 19	Contractor training	Wenatchee	360-902-4733
June 25	General tax information and reporting	Kennewick	509-735-0939
July 8	e-file, reporting, exemptions	Yakima	509-574-0137
July 9	General employer information	Everett	425-774-2382
July 10	Employer Tax Workshop	Spokane	509-532-3130
July 15	e-file, reporting, exemptions	Yakima	509-574-0137
July 15	General tax information and reporting	Renton	253-437-3440
July 16	General tax information and reporting	Ellensburg	509-574-0137
Aug. 19	General tax information and reporting	Renton	253-437-3440
Sept. 2	ESD tax information and reporting	Yakima	509-574-0137

The Employment Security Department is an equal opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities. Auxiliary aids may include qualified interpreters and telecommunication devices (TTY) for hearing or speech impaired individuals. Individuals with limited English proficiency may request interpretive services free of charge to the customer in order to conduct business with the department.

## Report fraud

Let us know if you suspect that a business is not paying its unemployment taxes properly or if a worker is collecting benefits he or she is not entitled to.

Employer and claimant fraud  
hotline: 866-266-1987

E-mail for employer fraud –  
[undergroundeconomy@esd.wa.gov](mailto:undergroundeconomy@esd.wa.gov)

## Technical support for Internet tax filers

Phone – 800-565-4660

E-mail – [uifsupport@esd.wa.gov](mailto:uifsupport@esd.wa.gov)

## Order tax forms

Phone – 360-902-0916

E-mail – [taxforms@esd.wa.gov](mailto:taxforms@esd.wa.gov)

## EAMS: Online tax tools for business

The Employer Account Management Services (EAMS) system offers you a quick and easy way to manage your tax account. Creating an EAMS account allows you to file and amend your quarterly reports and pay your UI taxes online, upload previously reported data to the current period, and calculate excess wages. You can also check tax rates, cancel pending payments and view a complete payment history or account balance.

To start using EAMS, first you must create an account at [www.SecureAccess.wa.gov](http://www.SecureAccess.wa.gov). After you've established your account, go to **Add Services** and select **Employment Security Department**. Once there, you will need to provide your user information to complete your registration.

For more details, visit [efile.go2ui.com](http://efile.go2ui.com)

Visit us online at  
[bizupdate.go2ui.com](http://bizupdate.go2ui.com)

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